

MUNICIPALITY OF QUISPAMISIS
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019



MUNICIPALITY OF QUISPAMISIS

DECEMBER 31, 2019

CONTENTS

| | Page |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT | 1 - 2 |
| FINANCIAL STATEMENTS | |
| Consolidated Statement of Operations | 3 |
| Consolidated Statement of Financial Position | 4 |
| Consolidated Statement of Changes in Net Debt | 5 |
| Consolidated Statement of Cash Flows | 6 |
| Notes to Consolidated Financial Statements | 7 - 34 |

To His Worship The Mayor and Members of Council
Municipality of Quispamsis, New Brunswick

Opinion

We have audited the consolidated financial statements of the Municipality of Quispamsis, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

(continues)

Independent Auditors' Report to His Worship The Mayor and Members of Council of the Municipality of Quispamsis (cont'd)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB
May 5, 2020

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF OPERATIONS

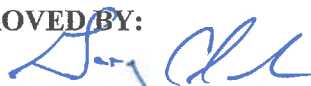

FOR THE YEAR ENDED DECEMBER 31, 2019

| | 2019 Budget (Note 23) | 2019 Actual | 2018 Actual |
|--|-----------------------------|----------------------|----------------------|
| REVENUE (Note 24) | | | |
| Property tax warrant | \$ 23,045,317 | \$ 23,045,312 | \$ 21,650,028 |
| Unconditional grant | 110,347 | 110,352 | 461,976 |
| Other own source (Note 24) | 1,267,830 | 1,393,845 | 1,371,736 |
| Conditional government transfers (Note 24) | 31,000 | 1,685,089 | 1,580,337 |
| Services to other governments | 47,064 | 47,266 | 47,064 |
| Water and sewer user fees | 2,653,985 | 2,701,165 | 2,500,378 |
| Public donations and sponsorships | 90,898 | 103,662 | 103,662 |
| Sundry income | <u>327,662</u> | <u>514,130</u> | <u>441,394</u> |
| | <u>27,574,103</u> | <u>29,600,821</u> | <u>28,156,575</u> |
| EXPENDITURE (Note 24) | | | |
| General government services | 2,697,841 | 2,601,399 | 2,429,589 |
| Protective services | 7,589,545 | 7,791,402 | 7,248,785 |
| Transportation services | 7,567,378 | 7,836,250 | 7,997,652 |
| Environmental health services | 999,600 | 994,805 | 973,657 |
| Environmental development services | 418,514 | 401,784 | 382,730 |
| Community services | 6,598,846 | 6,394,984 | 6,382,170 |
| Utility services | <u>3,114,331</u> | <u>2,989,352</u> | <u>3,026,442</u> |
| | <u>28,986,055</u> | <u>29,009,976</u> | <u>28,441,025</u> |
| ANNUAL SURPLUS (DEFICIT) FOR THE YEAR | <u>\$ (1,411,952)</u> | 590,845 | (284,450) |
| ACCUMULATED SURPLUS - BEGINNING OF YEAR | | 88,600,779 | 88,819,935 |
| CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES | | <u>1,363</u> | <u>65,294</u> |
| ACCUMULATED SURPLUS - END OF YEAR | | <u>\$ 89,192,987</u> | <u>\$ 88,600,779</u> |

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

| | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| FINANCIAL ASSETS | | |
| Cash and cash equivalents (Note 4) | \$ 5,503,117 | \$ 4,734,559 |
| Accounts receivable | | |
| General | 1,040,929 | 934,749 |
| Federal Government and its agencies (Note 5) | 520,811 | 525,221 |
| Province of New Brunswick (Note 6) | 251,592 | 264,203 |
| Investments (Note 7) | <u>530,928</u> | <u>481,933</u> |
| | <u>\$ 7,847,377</u> | <u>\$ 6,940,665</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 3,318,833 | \$ 2,828,560 |
| Deferred revenue | 1,388,624 | 47,317 |
| Long term debt (Note 8) | 22,809,795 | 25,143,037 |
| Accrued pension obligation (Note 11) | 395,170 | 418,366 |
| Accrued sick leave (Note 10) | 613,975 | 641,698 |
| Accrued retirement allowance (Note 11) | <u>747,384</u> | <u>671,078</u> |
| | <u>29,273,781</u> | <u>29,750,056</u> |
| NET DEBT | <u>(21,426,404)</u> | <u>(22,809,391)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Note 17) | 186,706,573 | 182,738,217 |
| Accumulated amortization (Note 17) | <u>(76,491,038)</u> | <u>(71,799,708)</u> |
| | 110,215,535 | 110,938,509 |
| Inventory | 129,233 | 138,254 |
| Prepaid expenses | 45,771 | 75,519 |
| Unamortized debenture costs | <u>228,852</u> | <u>257,888</u> |
| | <u>110,619,391</u> | <u>111,410,170</u> |
| ACCUMULATED SURPLUS | <u>\$ 89,192,987</u> | <u>\$ 88,600,779</u> |
| CONTINGENT LIABILITY (Note 12) | | |
| COMMITMENTS (Note 13) | | |
| APPROVED BY: | | |
|  | | |
| _____ Mayor | | |
|  | | |
| _____ Treasurer | | |

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2019

| | <u>2019</u> | <u>2018</u> |
|---|------------------------|------------------------|
| Annual surplus (deficit) | \$ 590,845 | \$ (284,450) |
| Acquisition of tangible capital assets | (5,355,180) | (2,849,289) |
| Proceeds on disposal of tangible capital assets | 35,130 | 5,649 |
| Amortization of tangible capital assets | 6,077,351 | 6,143,760 |
| Change in percentage ownership of tangible capital assets | (2,784) | (79,841) |
| Loss (gain) on disposal of tangible capital assets | <u>(31,543)</u> | <u>63,152</u> |
| | 1,313,819 | 2,998,981 |
| Acquisition of inventories | (129,233) | (138,254) |
| Acquisition of prepaid assets | (45,771) | (75,519) |
| Acquisition of unamortized debenture costs | (228,852) | (257,888) |
| Consumption of inventories | 138,254 | 146,756 |
| Use of prepaid assets | 75,519 | 41,026 |
| Consumption of unamortized debenture costs | <u>257,888</u> | <u>286,905</u> |
| | 1,381,624 | 3,002,007 |
| Change in percentage ownership | <u>1,363</u> | <u>65,294</u> |
| Decrease in net debt | 1,382,987 | 3,067,301 |
| Net debt - beginning of year | <u>(22,809,391)</u> | <u>(25,876,692)</u> |
| Net debt - end of year | <u>\$ (21,426,404)</u> | <u>\$ (22,809,391)</u> |

APPROVED BY:


 _____ Mayor

 _____ Treasurer

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | |
| OPERATING TRANSACTIONS | | |
| Annual surplus (deficit) | \$ 590,845 | \$ (284,450) |
| Loss (gain) on disposal of tangible capital assets | (31,543) | 63,152 |
| Amortization of tangible capital assets | 6,077,351 | 6,143,760 |
| Accounts receivable - General | (106,180) | (157,511) |
| Accounts receivable - Federal Government and its agencies | 4,410 | 815,380 |
| Accounts receivable - Province of New Brunswick | 12,611 | 454,789 |
| Accounts payable and accrued liabilities | 490,273 | (684,722) |
| Deferred revenue | 1,341,307 | 19,584 |
| Change in accrued sick leave | (27,723) | 142,100 |
| Change in accrued pension obligation | (23,196) | (184,864) |
| Change in accrued retirement allowance | 76,306 | (401) |
| Change in inventory/prepaid expenses/unamortized debenture costs | <u>67,805</u> | <u>3,026</u> |
| | <u>8,472,266</u> | <u>6,329,843</u> |
| CAPITAL TRANSACTIONS | | |
| Acquisition of tangible capital assets | (5,355,180) | (2,849,289) |
| Change in percentage ownership of capital assets | (2,784) | (79,841) |
| Proceeds on disposal of tangible capital assets | <u>35,130</u> | <u>5,649</u> |
| | <u>(5,322,834)</u> | <u>(2,923,481)</u> |
| FINANCING TRANSACTION | | |
| Long term debt | <u>(2,333,242)</u> | <u>(2,325,933)</u> |
| INVESTING TRANSACTION | | |
| Decrease (increase) in investments | <u>(48,995)</u> | <u>907,303</u> |
| CHANGE IN PERCENTAGE OWNERSHIP | <u>1,363</u> | <u>65,294</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 768,558 | 2,053,026 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>4,734,559</u> | <u>2,681,533</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 5,503,117</u> | <u>\$ 4,734,559</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. PURPOSE OF THE ORGANIZATION

Quispamsis ("the Municipality") was incorporated as a Municipality by the Province of New Brunswick Municipalities Act on January 1, 1998 and was approved for status as a Municipality effective January 1, 1998 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. As a municipality, Quispamsis is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipality are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local government, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The focus of Public Sector Accounting Standards ("PSAS") financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality and its jointly controlled entities.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or jointly controlled by the Municipality.

The entities included in the consolidated financial statements are as follows:

- Municipality of Quispamsis;
- Kennebecasis Regional Joint Board of Police Commissioners ("KRJBPC");
- Kennebecasis Valley Fire Department Inc. ("KVFD"); and
- Kennebecasis Public Library ("KPL").

Interdepartmental and organizational transactions and balances are eliminated.

The jointly controlled entities have been proportionately consolidated at the following rates:

| | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| Kennebecasis Regional Joint Board of Police Commissioners | 59.81% | 59.79% |
| Kennebecasis Valley Fire Department Inc. | 59.24% | 59.15% |
| Kennebecasis Public Library | 61.01% | 61.01% |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 18, 2018 and the Minister of Local Government on January 18, 2019.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equity instruments with actively traded markets are reported at fair value, with any unrealized gains and losses reported in annual surplus. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Revenue Recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Other revenue is recorded when it is earned.

Expenditure Recognition

Expenditures are recorded on an accrual basis.

Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- providing for amortization of tangible capital assets;
- the estimated useful lives of tangible capital assets;
- the recoverability of tangible capital assets;
- the sick leave liability; and
- the post employment benefits liability.

Inventory

Inventories are valued at the lower of cost and net realizable value with cost being determined on the first in, first out basis.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital Reserves

The use of the Capital Reserve Funds is restricted to capital acquisitions. The intention is to use these funds for future capital acquisitions and reduce future borrowing requirements.

Operating Reserves

The use of these funds is restricted to payment of operating expenditures.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset, less any residual value when applicable, is amortized on a straight-line basis over the estimated useful lives as follows:

| <u>Asset Type</u> | <u>Estimated Useful Life</u> |
|--------------------------------------|------------------------------|
| Land improvements | 10-25 years |
| Buildings and leasehold improvements | 20-40 years |
| Vehicles | 3-25 years |
| Machinery and equipment | 3-20 years |
| Furniture and fixtures | 5-20 years |
| Roads and streets | 5-75 years |
| Treatment facilities | 25-60 years |
| Water and wastewater networks | 30-60 years |

Assets under construction are not amortized until the asset is available for productive use. Capital assets are subject to the half year rule of amortization in the year of acquisition.

Segmented Information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General Government Services

This department is responsible for the overall governance and financial administration of the Municipality. This includes council functions, general and financial management, legal matters and compliance with legislation, as well as civic relations.

Protective Services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective measures.

Transportation Services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Segmented Information (cont'd)

Environmental Health Services

This department is responsible for the provision of waste collection and disposal, and a climate change program.

Environmental Development Services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

Community Services

This department is responsible for the maintenance and operation of recreational and cultural facilities including the swimming pool, arenas, parks and playgrounds and other recreational and cultural facilities and community programs.

Utility Services

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

The Municipality has documented a schedule of segmented disclosure in Note 19.

Post Employment Benefits

The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 10 and a pension plan and retirement allowance as documented in Note 11.

3. FINANCIAL INSTRUMENTS

The Municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Municipality's risk exposure and concentration as of December 31, 2019:

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from its accounts receivable. The Municipality minimizes credit risk through ongoing credit management.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, accounts payable and accrued liabilities and other obligations.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

3. FINANCIAL INSTRUMENTS (cont'd)

Currency Risk

Currency risk is the risk to the Municipality's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Municipality is not exposed to foreign currency risk as it does not hold foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is not exposed to interest rate risk as its long term debt does not have a variable interest rate.

4. CASH

| | 2019 | 2018 |
|--------------------------------------|---------------------|---------------------|
| Unrestricted | \$ 2,836,234 | \$ 2,940,209 |
| Restricted - reserve funds (Note 21) | 2,412,896 | 1,577,212 |
| Restricted - controlled entities | <u>253,987</u> | <u>217,138</u> |
| | <u>\$ 5,503,117</u> | <u>\$ 4,734,559</u> |

5. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

| | 2019 | 2018 |
|------------------------------------|-------------------|-------------------|
| Canada Revenue Agency (HST refund) | \$ 372,398 | \$ 357,048 |
| Clean Water Wastewater | 83,615 | - |
| Small Communities Fund | <u>64,798</u> | <u>168,173</u> |
| | <u>\$ 520,811</u> | <u>\$ 525,221</u> |

6. DUE FROM PROVINCE OF NEW BRUNSWICK

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Small Communities Fund | \$ 64,798 | \$ 168,172 |
| Community Investment Fund | 7,500 | - |
| NB Emergency Measures Organization - Disaster Recovery | <u>186,794</u> | <u>96,031</u> |
| | <u>\$ 251,592</u> | <u>\$ 264,203</u> |

A claim has been made with the NB EMO Recovery Program for Disaster Financial Assistance to recover costs that were incurred as a result of damages to infrastructure caused by flooding during the year.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

7. INVESTMENTS

The investments represent the Municipality's proportionate share of the investments of the KRJBPC. In the prior year, the investments also included short term investments of the Municipality reserve funds. The investments of KRJBPC consist of short term notes, Canadian equities and foreign equities and are recorded at fair market value. The unrealized gain (loss) on the investments at December 31, 2019 was \$34,356 (2018 - (\$23,516)). The investments are restricted for future payment of retirement benefits.

8. LONG TERM DEBT

(a) General Capital Fund

| | Balance January 1, 2019 | Issued during year | Redeemed during year | Balance December 31, 2019 |
|--|-------------------------------|--------------------------|----------------------------|---------------------------------|
| New Brunswick Municipal Financing Corporation | | | | |
| Debtures: | | | | |
| BD20 1.5% - 3.85% due November, 2020, OIC # 99-25, 99-72 | \$ 116,000 | \$ - | \$ 57,000 | \$ 59,000 |
| BE14 1.65% - 4.25%, due May 2021, OIC # 00-43, 09-40, 09-72 | 7,154,000 | - | 811,000 | 6,343,000 |
| BF19 1.35% - 3.45%, due December 2026, OIC # 11-39 | 973,000 | - | 254,000 | 719,000 |
| FCM 10092 1-2012 2%, due May 2027, OIC # 09-75 | 1,271,000 | - | 130,000 | 1,141,000 |
| BJ21 1.25% - 4.4%, due November 2033, OIC # 11-83 | 2,714,000 | - | 180,000 | 2,534,000 |
| BL23 1.20% - 3.70%, due December 2034, OIC # 11-83 | 338,000 | - | 17,000 | 321,000 |
| BP18 1.2% - 2.45%, due December 2023, OIC # 16-39 | 311,000 | - | 60,000 | 251,000 |
| BR19 1.65% - 3.2%, due December 2032, OIC # 17-50 | <u>708,000</u> | <u>-</u> | <u>43,000</u> | <u>665,000</u> |
| | <u>13,585,000</u> | <u>-</u> | <u>1,552,000</u> | <u>12,033,000</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

8. LONG TERM DEBT (cont'd)

(a) General Capital Fund (cont'd)

| | Balance January 1, 2019 | Issued during year | Redeemed during year | Balance December 31, 2019 |
|---|-------------------------------|--------------------------|----------------------------|---------------------------------|
| Capital leases: | | | | |
| Caterpillar Financial Services Ltd, 4.45%, due May 2021, secured by equipment with a carrying value of \$41,454. | 21,418 | - | 8,908 | 12,510 |
| HSBC Bank Canada, 3.899%, due September 2020, secured by equipment with a carrying value of \$26,257. | <u>31,240</u> | <u>-</u> | <u>18,382</u> | <u>12,858</u> |
| | <u>52,658</u> | <u>-</u> | <u>27,290</u> | <u>25,368</u> |
| | <u>\$ 13,637,658</u> | <u>\$ -</u> | <u>\$ 1,579,290</u> | <u>\$ 12,058,368</u> |

Principal payments required during the next five years for the General Capital Fund are as follows:

2020 - \$1,629,170; 2021 - \$6,410,198; 2022 - \$462,000; 2023 - \$477,000; 2024 - \$357,000

In 2021, debenture BE14 and BF19 will mature with final amounts due of \$5,498,000 and \$457,000, however it is expected that \$4,637,000 and \$187,000 will be refinanced for a period not to exceed five years.

(b) Utility Capital Fund

| | Balance January 1, 2019 | Issued during year | Redeemed during year | Balance December 31, 2019 |
|--|-------------------------------|--------------------------|----------------------------|---------------------------------|
| New Brunswick Municipal Financing Corporation | | | | |
| Debentures: | | | | |
| BB24 1.0% - 4.5%, due November 2019, OIC # 07-12 | \$ 34,000 | \$ - | \$ 34,000 | \$ - |
| BD21 1.5% - 3.85%, due November 2020, OIC # 08-42 | 67,000 | - | 33,000 | 34,000 |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

8. LONG TERM DEBT (cont'd)

(b) Utility Capital Fund (cont'd)

| | Balance January 1, 2019 | Issued during year | Redeemed during year | Balance December 31, 2019 |
|---|-------------------------------|--------------------------|----------------------------|---------------------------------|
| BE15 1.65% - 4.25%, due May 2021, OIC # 00-43, 01-11 | 198,000 | - | 64,000 | 134,000 |
| BF20 1.35% - 3.45%, due December 2021, OIC # 09-68 | 57,000 | - | 18,000 | 39,000 |
| BI19 1.35% - 4.0%, due June 2033, OIC # 09-93 | 1,387,000 | - | 73,000 | 1,314,000 |
| BJ22 1.25% - 4.4%, due November 2033, OIC # 11-83 | 2,214,000 | - | 114,000 | 2,100,000 |
| BK10 1.15% - 4.15%, due May 2034, OIC # 12-0079, 12-0091 | 3,181,000 | - | 123,000 | 3,058,000 |
| BL24 1.2% - 3.7%, due December 2034, OIC # 14-0009 | 1,766,000 | - | 63,000 | 1,703,000 |
| BO18 1.45% - 2.9%, due June 2026, OIC # 04-0015 | 1,063,000 | - | 123,000 | 940,000 |
| BR20 1.65% - 3.3%, due Dec 2037, OIC # 15-0091 | 971,000 | - | 29,000 | 942,000 |
| | <u>\$ 10,938,000</u> | <u>\$ -</u> | <u>\$ 674,000</u> | <u>\$ 10,264,000</u> |

Principal payments required during the next five years for the Utility Capital Fund are as follows:

2020 - \$657,000; 2021 - \$641,000; 2022 - \$569,000; 2023 - \$585,000; 2024 - \$603,000

(c) Jointly Controlled Entity - KRJBPC (proportionate share)

| | Balance January 1, 2019 | Issued during year | Redeemed during year | Balance December 31, 2019 |
|---|-------------------------------|--------------------------|----------------------------|---------------------------------|
| New Brunswick Municipal Financing Corporation | | | | |
| Debentures: | | | | |
| BN 35 1.05% - 3.15%, due 2025, OIC # 03-0053 | \$ 383,235 | \$ - | \$ 51,339 | \$ 331,896 |
| BL 45 1.2% - 3.1%, due 2024, OIC# 02-66, 03-53 | 184,144 | - | 28,613 | 155,531 |
| | <u>\$ 567,379</u> | <u>\$ -</u> | <u>\$ 79,952</u> | <u>\$ 487,427</u> |

Principal payments required during the next five years are as follows:

2020 - \$81,338; 2021 - \$83,730; 2022 - \$85,524; 2023 - \$87,318; 2024 - \$90,309

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

8. LONG TERM DEBT (cont'd)

Total Long Term Debt:

| | <u>2019</u> | <u>2018</u> |
|------------------------------------|----------------------|----------------------|
| General Capital Fund | \$ 12,058,368 | \$ 13,637,658 |
| Utility Capital Fund | 10,264,000 | 10,938,000 |
| Jointly Controlled Entity - KRJBPC | <u>487,427</u> | <u>567,379</u> |
| | <u>\$ 22,809,795</u> | <u>\$ 25,143,037</u> |

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt. There was no approval of the Municipal Capital Borrowing Board obtained for the capital leases.

9. SEWER OUTFALL RESERVE

In accordance with an agreement with Rothesay, the Municipality and Rothesay are required to fund, on an annual basis, an amount to cover the operating and maintenance costs associated with the shared sewer effluent line and outfall pipe. The contributions are made on a per unit basis, with Rothesay contributing \$1 per unit and the Municipality of Quispamsis contributing \$2 per unit.

10. ACCRUED SICK LEAVE

Quispamsis provides sick leave that accumulates at a rate of one and one-half days per month. All employees can accumulate a maximum of 200 days and can take leave with pay for an amount of time equal to the accumulated sick leave.

KVFD provides sick leave that accumulates at a rate of 18 hours per month while the employees sick bank is below 1,000 hours, and at 13.5 hours per month while the sick bank is above 1,000 hours. All employees can accumulate to a maximum of 2,184 sick leave hours and can take leave with pay for an amount of time equal to the accumulated sick leave.

An actuarial valuation in accordance with PSAS 3255, was performed for each plan, December 31, 2018 for the Municipality and December 31, 2017 for KVFD, the 83 employee plan for Quispamsis and the 37 employee plan for KVFD. The actuarial method used was the Projected Unit Credit prorated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Municipality's and KVFD's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3% for the Municipality and 3% for the KVFD;
- the discount rates used to determine the accrued benefit obligations are 3.31% for the Municipality and 3.07% for KVFD;
- retirement age is 60 for the Municipality and 60 for KVFD; and
- estimated net excess utilization of rate of sick leave is independent of age.

The sick leave is an unfunded benefit and as such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

10. ACCRUED SICK LEAVE (cont'd)

The consolidated unfunded liability consist of:

| | <u>2019</u> | <u>2018</u> |
|------------|-------------------|-------------------|
| Quispamsis | \$ 170,100 | \$ 166,500 |
| KVFD | 434,725 | 466,051 |
| KRJBPC | <u>9,150</u> | <u>9,147</u> |
| | <u>\$ 613,975</u> | <u>\$ 641,698</u> |

11. POST EMPLOYMENT BENEFITS PAYABLE

Retirement Allowance Program

KVFD's retiring employees are entitled to four weeks' regular salary for every five years of employment to a maximum of 24 weeks based on a minimum of ten years service. This benefit is available to all employees who have reached the retirement age of 55.

The accrued liability is based on an actuarial valuation as at December 31, 2016, which used a discount rate of 3.3% and an annual salary increase rate of 3%.

KRJBPC's retiring employees are entitled to accumulate the greater of fifty percent of unused sick leave credits or one month's standard salary for every five years, or any part thereof, of service to a maximum of 6 months.

The accrued liability is based on an actuarial valuation as at July 31, 2019, which used a discount rate of 2.69% and an annual salary increase rate of 3%.

Both organizations have internally restricted funds for these liabilities. The balance at December 31, 2019 consists of:

| | <u>2019</u> | <u>2018</u> |
|------------------------|-------------------|-------------------|
| KVFD | \$ 259,974 | \$ 228,821 |
| KRJBPC | <u>487,410</u> | <u>442,257</u> |
| Balance at end of year | <u>\$ 747,384</u> | <u>\$ 671,078</u> |

Pension Obligation

Employees of Quispamsis, KVFD and KRJBPC participate in the New Brunswick Municipal Employees Pension Plan ("NBMEPP"). The NBMEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Local Governance Act of New Brunswick. The NBMEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NBMEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2017 and resulted in an overall NBMEPP accrued benefit obligation of \$122,959,100 based on the accounting basis.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2018:

- the expected inflation rate is 2.25% (prior 2.25%);
- the discount rate used to determine the accrued benefit obligation is 5.5% (prior 5.5%);
- the expected rate of return on assets is 5.5% (prior 5.5%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARSL) is 13 years (prior 14 years).

The actuarial valuation prepared as at December 31, 2017 indicated that the market value of the net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan surplus of \$43,100, an increase of \$297,900 from the December 31, 2016 deficit of \$254,800. Based on the assumptions as at December 31, 2017, the actuary expected the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pensions Benefits Act.

As at December 31, 2017, the NBMEPP provides benefits for 236 retirees. Total benefits payments to retirees and terminating employees during 2019 are estimated to be approximately \$3,932,100 (actual 2018, \$5,502,500) in totality for the NBMEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.99%. Each municipality contributes an amount that equals their employees contributions amounts. Pension fund assets are invested in short term securities, bonds, Canadian equities and foreign equities. Combined employees and municipalities contributions for 2019 are estimated to be approximately \$6,713,200 (actual 2018, \$6,532,500) in totality for the NBMEPP.

The following summarizes the NBMEPP data as it relates to Quispamsis:

- The average age of the 85 active employees covered by the NBMEPP is 47.2 (2018 - 46.5);
- benefit payments were \$512,900 in 2018 and were estimated to be \$236,900 in 2019; and
- combined contributions were \$782,600 in 2018 and were estimated to be \$806,000 in 2019.

The following summarizes the NBMEPP data as it relates to KVFD:

- The average age of the 42 active employees covered by the NBMEPP is 42.1 (2018 - 42.6);
- benefit payments were \$520,400 in 2018 and were estimated to be \$511,600 in 2019; and
- combined contributions were \$594,600 in 2018 and were estimated to be \$612,400 in 2019.

The following summarizes the NBMEPP data as it relates to KRJBPC:

- The average age of the 44 active employees covered by the NBMEPP is 42.6 (2018 - 43.2);
- benefit payments were \$632,300 in 2018 and were estimated to be \$353,500 in 2019; and
- combined contributions were \$710,800 in 2018 and were estimated to be \$731,400 in 2019.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

In addition to determining the position of the NBMEPP as it relates to Quispamsis and the other controlled entities as at December 31, 2017 and December 31, 2018, NBMEPP's actuary performed an extrapolation of the December 31, 2018 accounting valuation to determine the estimated position as at December 31, 2019. The extrapolation assumes assumptions used as at December 31, 2019 remain unchanged from December 31, 2018. The extrapolation also assumes assets return 5.5%, net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

| | Estimated Jan 1, 2019 to Dec 31, 2019 | Jan 1, 2018 to Dec 31, 2018 |
|--|--|--|
| Accrued Benefit Liability | | |
| Accrued benefit liability at beginning of period | \$ 418,366 | \$ 661,030 |
| Change in ownership percentage | 532 | 7,074 |
| Adjustment to actual | (36,372) | 35,329 |
| Pension expense for the year | 815,749 | 482,616 |
| Employer contributions | <u>(803,105)</u> | <u>(767,683)</u> |
| Accrued benefit liability at end of period | <u>\$ 395,170</u> | <u>\$ 418,366</u> |

In summary, the consolidated accrued benefit liability is estimated to be \$395,170 as at December 31, 2019. The December 31, 2018 liability was estimated in the prior year. The actual liability was calculated to be \$381,994. The difference of \$36,372 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

| | Estimated Jan 1, 2019 to Dec 31, 2019 | Jan 1, 2018 to Dec 31, 2018 |
|------------|--|--|
| Quispamsis | \$ (137,700) | \$ (184,500) |
| KVFD | 281,920 | 331,074 |
| KRJBPC | <u>250,950</u> | <u>271,792</u> |
| | <u>\$ 395,170</u> | <u>\$ 418,366</u> |

The financial position as it relates to the accrued benefit liability is shown as follows and illustrates the unamortized amounts being recognized in pension expense over time:

| | Estimated Jan 1, 2019 to Dec 31, 2019 | Jan 1, 2018 to Dec 31, 2018 |
|---|--|--|
| Reconciliation of Funded Status at End of Period | | |
| Accrued benefit obligation | \$ 30,250,233 | \$ 28,184,988 |
| Plan assets | <u>(27,272,220)</u> | <u>(25,005,793)</u> |
| Plan deficit | 2,978,013 | 3,179,195 |
| Unamortized experience losses | <u>(2,582,843)</u> | <u>(2,797,201)</u> |
| Accrued benefit liability at end of period | <u>\$ 395,170</u> | <u>\$ 381,994</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

The following illustrates the reconciliation of accrued benefit obligation from the beginning of period to the end of period:

| | Estimated Jan 1, 2019 to Dec 31, 2019 | Jan 1, 2018 to Dec 31, 2018 |
|---|--|--|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued benefit obligation at beginning of period | \$ 28,184,988 | \$ 26,264,445 |
| Change in ownership percentage | 13,571 | 146,681 |
| Current service cost | 1,238,728 | 1,166,883 |
| Benefits payments | (751,387) | (1,198,760) |
| Interest for period | 1,564,333 | 1,451,818 |
| Experience gain during period | <u>-</u> | <u>353,921</u> |
| Accrued benefit obligation at end of period | <u>\$ 30,250,233</u> | <u>\$ 28,184,988</u> |

The following illustrates the reconciliation of plan assets from the beginning of period to the end of period:

| | Estimated Jan 1, 2019 to Dec 31, 2019 | Jan 1, 2018 to Dec 31, 2018 |
|--------------------------------------|--|--|
| Reconciliation of Plan Assets | | |
| Plan assets at beginning of period | \$ 25,005,793 | \$ 25,135,501 |
| Change in ownership percentage | 12,125 | 141,386 |
| Employer contributions | 803,105 | 779,881 |
| Employee contributions | 803,105 | 779,403 |
| Benefit payments | (751,387) | (1,198,760) |
| Return on plan assets during period | <u>1,399,479</u> | <u>(631,618)</u> |
| Plan assets at end of period | <u>\$ 27,272,220</u> | <u>\$ 25,005,793</u> |

Total expense related to pensions include the following components:

| | Estimated Jan 1, 2019 to Dec 31, 2019 | Jan 1, 2018 to Dec 31, 2018 |
|--|--|--|
| Pension Expense | | |
| Employer current service cost | \$ 435,623 | \$ 387,480 |
| Interest on accrued benefit obligation | 1,564,332 | 1,451,818 |
| Expected return on assets | (1,399,478) | (1,400,178) |
| Amortization of unrecognized balances | | |
| Experience gain | <u>215,272</u> | <u>35,365</u> |
| Pension expense | <u>\$ 815,749</u> | <u>\$ 474,485</u> |

The pension expense is included in the statement of operations.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

12. CONTINGENT LIABILITY

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2019 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

13. COMMITMENTS

Dalhousie School of Medicine

In 2012, the Municipality committed \$50,000 payable over 10 years to the Dalhousie School of Medicine. During the year, a payment of \$5,000 (2018 - \$5,000) was made. The remaining \$10,000 is payable at \$5,000 per year, over the next 2 years.

Fero Waste & Recycling Inc.

The Municipality has entered into a long-term agreement for services to collect and transport residential waste, Municipal generated waste and recyclable materials for all areas of Quispamsis. During the year, a payment of \$602,559 was made. The future minimum payments over the next four years are as follows:

| | |
|------|------------|
| 2020 | \$ 636,795 |
| 2021 | 668,170 |
| 2022 | 701,102 |
| 2023 | 735,668 |

Office Equipment

The Municipality has entered into a long-term lease agreements for certain office equipment which have been accounted for as operating leases. The future minimum payments over the next two years are as follows:

| | |
|------|-------|
| 2020 | 3,352 |
| 2021 | 1,397 |

14. SHORT TERM BORROWING

Operating Borrowing

As prescribed in the Local Governance Act, borrowing to finance General Operating Fund operations is limited to 4% of the Municipality's budget. Borrowing to finance Water and Sewer Fund operations is limited to 50% of the operating budget for the year. In 2019, the Municipality has complied with these restrictions.

Interim Borrowing Capital Funds

The Municipality has arranged a revolving operating facility bearing interest at BMO prime minus 1% for the Capital Funds. The facility is used to provide interim financing for capital expenditures. At December 31, 2019, the Municipality had no funds (2018 - nil) borrowed from the facility.

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

14. SHORT TERM BORROWING (cont'd)

Inter-fund Borrowing

The Municipal Financial Reporting Manual requires that short term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

Amounts outstanding at year end are inter fund regular payables or in some cases, a short term loan may exist from the reserve account. Where a loan is in place, interest is paid to the reserve account at a rate that equates what the account would have earned had it been in the bank. These loan amounts are paid off within the following year and council is given a summary at year end to be fully informed of these transactions.

At December 31, 2019, the Municipality has remaining outstanding authority for short-term borrowings as follows: Water and Sewer Capital Fund M015-0084 \$4,600,000 interim financing.

15. WATER AND SEWER FUND SURPLUS

The Local Governance Act requires Water and Sewer Fund surplus amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing year. The balance of the surplus at the end of the year consists of:

| | <u>2019</u> | <u>2018</u> |
|--------------|------------------|------------------|
| 2019 Surplus | \$ 25,947 | \$ - |
| 2018 Surplus | 7,349 | 7,349 |
| 2017 Surplus | <u>-</u> | <u>18,416</u> |
| | <u>\$ 33,296</u> | <u>\$ 25,765</u> |

16. SUBSEQUENT EVENT

On March 11, 2020 the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put into place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial assets and condition of the Municipality in future periods.

MUNICIPALITY OF QUISPAMIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

17. SCHEDULE OF TANGIBLE CAPITAL ASSETS

| | Land | | Buildings and Leasehold Improvements | | Furniture and Fixtures | | Machinery and Equipment | | Roads and Streets | | Infrastructure Treatment Facilities | | Water and Sewer | | Subtotal | | Assets Under Construction | | 2019 Total | | 2018 Total | |
|--|--------------|--------------|--------------------------------------|--------------|------------------------|--------------|-------------------------|---------------|----------------------|-----------------|-------------------------------------|--------------------|-----------------|------------|----------|--|---------------------------|--|------------|--|------------|--|
| | Land | Improvements | Buildings and Leasehold | Improvements | Furniture and Fixtures | Vehicles | Equipment | Streets | Treatment Facilities | Water and Sewer | Subtotal | Under Construction | 2019 Total | 2018 Total | | | | | | | | |
| COST | | | | | | | | | | | | | | | | | | | | | | |
| Balance - beginning of year | \$ 3,445,458 | \$ 8,163,300 | \$ 35,275,120 | \$ 878,882 | \$ 3,515,634 | \$ 6,896,448 | \$ 71,634,896 | \$ 34,074,725 | \$ 18,459,427 | \$ 182,343,890 | \$ 394,329 | \$ 182,738,219 | \$ 180,737,519 | | | | | | | | | |
| Change in percentage ownership | 91 | 11 | 2,581 | 40 | 2,560 | 621 | - | - | - | 5,904 | - | 5,904 | 118,601 | | | | | | | | | |
| Add: Net additions during the year | 15,018 | 21,367 | 118,842 | 113,362 | 569,832 | 721,815 | 2,515,752 | 758,809 | 20,239 | 4,855,036 | 725,243 | 5,580,279 | 2,853,386 | | | | | | | | | |
| Less: Disposals during the year | - | - | - | - | (194,083) | (74,636) | (1,124,011) | - | - | (1,392,730) | (225,092) | (1,617,829) | (971,289) | | | | | | | | | |
| Balance - end of year | \$ 3,460,567 | \$ 8,184,678 | \$ 35,396,543 | \$ 992,284 | \$ 3,893,943 | \$ 7,544,248 | \$ 73,026,637 | \$ 34,833,534 | \$ 18,479,666 | \$ 185,812,100 | \$ 894,473 | \$ 186,706,573 | \$ 182,738,217 | | | | | | | | | |
| ACCUMULATED AMORTIZATION | | | | | | | | | | | | | | | | | | | | | | |
| Balance - beginning of year | - | 3,667,796 | 10,024,670 | 469,298 | 2,148,344 | 4,130,846 | 37,784,141 | 5,955,518 | 7,619,095 | 71,799,708 | - | 71,799,708 | 66,515,579 | | | | | | | | | |
| Change in percentage ownership | - | 10 | 1,320 | 24 | 1,478 | 288 | - | - | - | 3,120 | - | 3,120 | 38,760 | | | | | | | | | |
| Add: Amortization during the year | - | 390,027 | 1,025,433 | 81,029 | 266,228 | 538,897 | 2,649,135 | 552,475 | 574,127 | 6,077,351 | - | 6,077,351 | 6,143,760 | | | | | | | | | |
| Less: Accumulated amortization on disposals | - | - | - | - | (190,494) | (74,636) | (1,124,011) | - | - | (1,389,141) | - | (1,389,141) | (898,391) | | | | | | | | | |
| Balance - end of year | - | 4,057,833 | 11,051,423 | 550,351 | 2,225,556 | 4,595,395 | 39,309,265 | 6,507,993 | 8,193,222 | 76,491,038 | - | 76,491,038 | 71,799,708 | | | | | | | | | |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | | | | | | | | | | | | | | | | | | | | | | |
| | \$ 3,460,567 | \$ 4,126,845 | \$ 24,345,120 | \$ 441,933 | \$ 1,668,387 | \$ 2,948,853 | \$ 33,717,372 | \$ 28,325,541 | \$ 10,286,444 | \$ 109,321,062 | \$ 894,473 | \$ 110,215,535 | \$ 110,938,509 | | | | | | | | | |
| Consists of: | | | | | | | | | | | | | | | | | | | | | | |
| General Fund Assets | \$ 2,266,136 | \$ 4,031,568 | \$ 20,604,363 | \$ 402,330 | \$ 416,833 | \$ 2,080,323 | \$ 33,717,372 | \$ - | \$ - | \$ 63,518,925 | \$ 393,620 | \$ 63,912,545 | \$ 64,725,532 | | | | | | | | | |
| Utility Fund Assets | 836,749 | - | - | - | 93,890 | 525,820 | - | 28,325,541 | 10,286,444 | 40,068,444 | 500,853 | 40,569,297 | 40,560,187 | | | | | | | | | |
| Jointly Controlled Entities | 357,682 | 95,277 | 3,740,757 | 39,603 | 1,157,664 | 342,710 | - | - | - | 5,733,693 | - | 5,733,693 | 5,652,790 | | | | | | | | | |
| | \$ 3,460,567 | \$ 4,126,845 | \$ 24,345,120 | \$ 441,933 | \$ 1,668,387 | \$ 2,948,853 | \$ 33,717,372 | \$ 28,325,541 | \$ 10,286,444 | \$ 109,321,062 | \$ 894,473 | \$ 110,215,535 | \$ 110,938,509 | | | | | | | | | |

The Municipality has tangible capital assets under capital leases as follows, included in the amounts listed above:

| | Historical Cost | Accumulated Amortization | Net Book Value |
|-------------------------|-----------------|--------------------------|----------------|
| Machinery and equipment | \$ 308,256 | \$ 240,545 | \$ 67,711 |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

18. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

| | Land | Land Improvements | Buildings | Furniture and Fixtures | Vehicles | Machinery and Equipment | Assets Under Construction | 2019 Total | 2018 Total |
|--|-------------------|-------------------|---------------------|------------------------|---------------------|-------------------------|---------------------------|---------------------|---------------------|
| COST | | | | | | | | | |
| Balance - beginning of year | \$ 357,591 | \$ 186,277 | \$ 5,842,042 | \$ 118,610 | \$ 2,077,014 | \$ 954,313 | \$ - | \$ 9,535,847 | \$ 9,251,739 |
| Change in percentage ownership | 91 | 11 | 2,581 | 40 | 2,560 | 621 | - | 5,904 | 118,601 |
| Add: Net additions during the year | - | - | 16,876 | - | 427,544 | 94,667 | - | 539,087 | 184,983 |
| Less: Disposals during the year | - | - | - | - | (61,284) | (24,095) | - | (85,379) | (19,476) |
| Balance - end of year | <u>357,682</u> | <u>186,288</u> | <u>5,861,499</u> | <u>118,650</u> | <u>2,445,834</u> | <u>1,025,506</u> | <u>-</u> | <u>9,995,459</u> | <u>9,535,847</u> |
| ACCUMULATED AMORTIZATION | | | | | | | | | |
| Balance - beginning of year | - | 79,236 | 1,911,157 | 73,091 | 1,194,085 | 625,488 | - | 3,883,057 | 3,393,600 |
| Change in percentage ownership | - | 10 | 1,320 | 24 | 1,478 | 288 | - | 3,120 | 38,760 |
| Add: Amortization during the year | - | 11,765 | 208,265 | 5,932 | 150,302 | 81,115 | - | 457,379 | 465,321 |
| Less: Accumulated amortization on disposals | - | - | - | - | (57,695) | (24,095) | - | (81,790) | (14,624) |
| Balance - end of year | <u>-</u> | <u>91,011</u> | <u>2,120,742</u> | <u>79,047</u> | <u>1,288,170</u> | <u>682,796</u> | <u>-</u> | <u>4,261,766</u> | <u>3,883,057</u> |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | <u>\$ 357,682</u> | <u>\$ 95,277</u> | <u>\$ 3,740,757</u> | <u>\$ 39,603</u> | <u>\$ 1,157,664</u> | <u>\$ 342,710</u> | <u>\$ -</u> | <u>\$ 5,733,693</u> | <u>\$ 5,652,790</u> |

MUNICIPALITY OF QUISPAMIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

19. SCHEDULE OF SEGMENT DISCLOSURE

| | General | Protective | Transportation | Environmental Health | Environmental Development | Community Services | Utility Services | 2019 Consolidated | 2018 Consolidated |
|---|-------------------|---------------------|-----------------------|----------------------|---------------------------|---------------------|-------------------|-------------------|---------------------|
| REVENUE | | | | | | | | | |
| Property tax warrant | \$ 2,811,528 | \$ 8,711,127 | \$ 4,779,598 | \$ 1,085,434 | \$ 1,073,912 | \$ 4,583,713 | \$ - | \$ 23,045,312 | \$ 21,650,028 |
| Services provided to other governments | - | - | 47,266 | - | - | - | - | 47,266 | 47,064 |
| Other own source | 34,388 | 19,859 | - | - | - | 1,339,598 | - | 1,393,845 | 1,371,736 |
| Unconditional grant | 13,463 | 41,713 | 22,887 | 5,198 | 5,142 | 21,949 | - | 110,352 | 461,976 |
| Conditional government transfers | 105,258 | - | 1,140,000 | - | - | 8,195 | 431,636 | 1,685,089 | 1,580,337 |
| Water and sewer user fees | - | - | - | - | - | - | 2,701,165 | 2,701,165 | 2,500,378 |
| Contributions from public donations and sponsorship | - | - | - | - | - | 103,662 | - | 103,662 | 103,662 |
| Sundry | 116,282 | 267,008 | - | - | - | 17,306 | 113,527 | 514,130 | 441,394 |
| | <u>3,080,926</u> | <u>9,039,707</u> | <u>5,989,751</u> | <u>1,090,632</u> | <u>1,079,054</u> | <u>6,074,423</u> | <u>3,246,328</u> | <u>29,600,821</u> | <u>28,156,575</u> |
| EXPENDITURE | | | | | | | | | |
| Salaries and benefits | 1,174,829 | 6,352,155 | 2,484,749 | - | 233,054 | 2,229,061 | 706,575 | 13,180,423 | 12,628,942 |
| Goods and services | 1,326,851 | 1,090,431 | 2,205,638 | 994,805 | 168,730 | 2,378,812 | 702,665 | 8,867,932 | 8,641,340 |
| Interest | 12,038 | 34,395 | 39,555 | - | - | 445,444 | 384,381 | 915,813 | 963,831 |
| Other | - | (1,006) | (30,537) | - | - | - | - | (31,543) | 63,152 |
| Amortization | 87,682 | 315,428 | 3,136,844 | - | - | 1,341,666 | 1,195,731 | 6,077,351 | 6,143,760 |
| | <u>2,601,400</u> | <u>7,791,403</u> | <u>7,836,249</u> | <u>994,805</u> | <u>401,784</u> | <u>6,394,983</u> | <u>2,989,352</u> | <u>29,009,976</u> | <u>28,441,025</u> |
| Surplus (deficit) for the year | \$ <u>479,526</u> | \$ <u>1,248,304</u> | \$ <u>(1,846,498)</u> | \$ <u>95,827</u> | \$ <u>677,270</u> | \$ <u>(320,560)</u> | \$ <u>256,976</u> | \$ <u>590,845</u> | \$ <u>(284,450)</u> |

MUNICIPALITY OF QUISPAMIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

20. RECONCILIATION OF ANNUAL SURPLUS

| | General Operating Fund | General Capital Fund | Utility Operating Fund | Utility Capital Fund | General Operating Reserve Fund | General Capital Reserve Fund | Utility Operating Reserve Fund | Utility Capital Reserve Fund | Land Trust Fund | Jointly Controlled Entities | Total |
|---|------------------------------|----------------------------|------------------------------|----------------------------|---|---------------------------------------|---|---------------------------------------|-----------------------|-----------------------------------|--------------|
| 2019 annual surplus (deficit) | \$ 1,727,576 | \$(1,827,981) | \$ 1,083,110 | \$(644,600) | \$ 20,265 | \$ 20,820 | \$ 2,418 | \$ 15,503 | \$ 9,500 | \$ 184,234 | \$ 590,845 |
| Adjustments to annual surplus for funding requirements | | | | | | | | | | | |
| Second previous year's surplus | 2,239 | - | 18,416 | - | - | - | - | - | - | 141,045 | 161,700 |
| Transfers between funds | | | | | | | | | | | |
| Transfer elimination | (138,921) | - | - | - | 138,921 | - | - | - | - | - | - |
| Transfer elimination | (6,000) | - | - | - | 6,000 | - | - | - | - | - | - |
| Transfer elimination | 176,922 | - | - | - | (176,922) | - | - | - | - | - | - |
| Transfer elimination | 152,330 | - | - | - | (152,330) | - | - | - | - | - | - |
| Transfer elimination | (214,132) | - | - | - | - | 214,132 | - | - | - | - | - |
| Transfer elimination | (116,000) | - | - | - | - | 116,000 | - | - | - | - | - |
| Transfer elimination | - | - | (45,197) | - | - | - | - | 45,197 | - | - | - |
| Transfer elimination | - | - | (101,826) | - | - | - | - | 101,826 | - | - | - |
| Transfer elimination | - | - | (200,000) | - | - | - | - | 200,000 | - | - | - |
| Transfer elimination | - | - | (60,000) | - | - | - | - | 60,000 | - | - | - |
| Transfer elimination | - | - | - | 50,000 | - | - | - | (50,000) | - | - | - |
| Long term debt principal repayment | (1,579,740) | 1,579,740 | (674,000) | 674,000 | - | - | - | - | - | - | - |
| Provision for pension liability | 41,745 | - | 5,055 | - | - | - | - | - | - | (70,575) | (23,775) |
| Provision for sick leave accrual | 3,211 | - | 389 | - | - | - | - | - | - | (32,015) | (28,415) |
| Provision for retirement allowance | - | - | - | - | - | - | - | - | - | (4,942) | (4,942) |
| Accumulated amortization on disposal of tangible capital assets | - | (1,307,351) | - | - | - | - | - | - | - | (81,790) | (1,389,141) |
| Unrealized gains on investments | - | - | - | - | - | - | - | - | - | (34,356) | (34,356) |
| Amortization expense | - | 4,424,241 | - | 1,195,731 | - | - | - | - | - | 457,379 | 6,077,351 |
| Total adjustments to 2019 annual surplus (deficit) | (1,678,346) | 4,696,630 | (1,057,163) | 1,919,731 | (184,331) | 330,132 | - | 357,023 | - | 374,746 | 4,758,422 |
| 2019 annual surplus (deficit) for funding requirements | \$ 49,230 | \$ 2,868,649 | \$ 25,947 | \$ 1,275,131 | \$ (164,066) | \$ 350,952 | \$ 2,418 | \$ 372,526 | \$ 9,500 | \$ 558,980 | \$ 5,349,267 |

MUNICIPALITY OF QUISPAMIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

21. STATEMENT OF RESERVES

| | <u>General Operating Reserve</u> | <u>General Capital Reserve</u> | <u>Utility Operating Reserve</u> | <u>Utility Capital Reserve</u> | <u>Land Trust Fund</u> | <u>2019 Total</u> | <u>2018 Total</u> |
|---------------------------------------|--|--|--|--|--------------------------------|-----------------------|-----------------------|
| ASSETS | | | | | | | |
| Cash and short term investments | \$ 500,730 | \$ 853,681 | \$ 135,131 | \$ 862,170 | \$ 61,184 | \$ 2,412,896 | \$ 1,577,212 |
| Accounts receivable from other funds | <u>266,080</u> | <u>453,633</u> | <u>236</u> | <u>362,669</u> | <u>71,126</u> | <u>1,153,744</u> | <u>1,418,098</u> |
| | <u>\$ 766,810</u> | <u>\$ 1,307,314</u> | <u>\$ 135,367</u> | <u>\$ 1,224,839</u> | <u>\$ 132,310</u> | <u>\$ 3,566,640</u> | <u>\$ 2,995,310</u> |
| ACCUMULATED SURPLUS | <u>\$ 766,810</u> | <u>\$ 1,307,314</u> | <u>\$ 135,367</u> | <u>\$ 1,224,839</u> | <u>\$ 132,310</u> | <u>\$ 3,566,640</u> | <u>\$ 2,995,310</u> |
| REVENUE | | | | | | | |
| Lot fees | \$ - | \$ - | \$ - | \$ - | \$ 6,750 | \$ 6,750 | \$ 4,500 |
| Transfers from General Operating Fund | 144,921 | 330,132 | - | - | - | 475,053 | 566,689 |
| Transfers from Utility Operating Fund | - | - | - | 407,023 | - | 407,023 | 226,447 |
| Interest | <u>20,265</u> | <u>20,820</u> | <u>2,418</u> | <u>15,503</u> | <u>2,750</u> | <u>61,756</u> | <u>35,548</u> |
| | <u>165,186</u> | <u>350,952</u> | <u>2,418</u> | <u>422,526</u> | <u>9,500</u> | <u>950,582</u> | <u>833,184</u> |
| EXPENDITURES | | | | | | | |
| Transfers to Funds | <u>329,252</u> | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>379,252</u> | <u>-</u> |
| ANNUAL SURPLUS (DEFICIT) | <u>\$ (164,066)</u> | <u>\$ 350,952</u> | <u>\$ 2,418</u> | <u>\$ 372,526</u> | <u>\$ 9,500</u> | <u>\$ 571,330</u> | <u>\$ 833,184</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

21. STATEMENT OF RESERVES (cont'd)

Council Resolutions regarding transfers to and from reserves:

Moved By Deputy Mayor O'Hara
Seconded By Councillor Loughery

BE IT RESOLVED that \$138,921 be transferred from the General Operating Fund to the General Operating Reserve Fund for future expenditures.

THAT \$6,000 be transferred from the General Operating Fund to the General Operating Reserve Fund for future expenditures.

THAT \$176,922 be transferred from the General Operating Reserve to the General Operating Fund to fund budgeted 2019 expenditures.

THAT \$152,330 be transferred from the General Operating Reserve to the General Operating Fund to fund additional 2019 expenditures.

THAT \$214,132 be transferred from the General Operating Fund to the General Capital Reserve Fund in preparation for Fire Station #2, AND further,

THAT \$116,000 be transferred from the General Operating Fund to the General Capital Reserve Fund for future use.

Motion Carried

Moved By Councillor Rioux
Seconded By Councillor Thompson

BE IT RESOLVED THAT \$45,197 be transferred from the 2019 Utility Operating Fund to the Utility Capital Replacement Reserve Fund to pay for future costs of replacement of capital items for the Wastewater System Upgrades.

Motion Carried

Moved By Councillor Luck
Seconded By Councillor Loughery

BE IT RESOLVED that \$101,826 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund as per the 2019 budget.

THAT \$200,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for future use on the Utility Building.

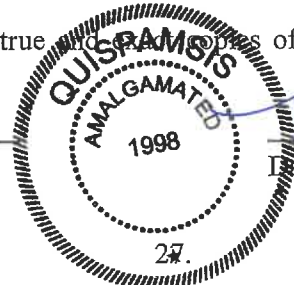
THAT \$60,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for future expenditures,

AND FURTHER THAT \$50,000 be transferred from the Utility Capital Reserve Fund to the Utility Capital Fund for payment of the Utility truck purchased in 2019.

Motion Carried

I hereby certify that the above are true and correct copies of resolutions adopted at a meeting of Council on December 17, 2019.

Catherine Brown
Town Clerk,
Town of Quispamsis



May 22, 2020
Date

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

22. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

| | <u>KVFD</u> | <u>KRJBPC</u> | <u>Library</u> | <u>2019 Total</u> | <u>2018 Total</u> |
|---|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| ASSETS | \$ <u>2,215,437</u> | \$ <u>2,000,665</u> | \$ <u>2,672,715</u> | \$ <u>6,888,817</u> | \$ <u>6,935,139</u> |
| LIABILITIES | \$ <u>1,045,309</u> | \$ <u>1,496,040</u> | \$ <u>17,799</u> | \$ <u>2,559,148</u> | \$ <u>2,791,783</u> |
| ACCUMULATED SURPLUS | \$ <u>1,172,212</u> | \$ <u>481,111</u> | \$ <u>2,654,916</u> | \$ <u>4,308,239</u> | \$ <u>4,143,356</u> |
| REVENUE | \$ 3,442,346 | \$ 4,098,623 | \$ 150,415 | \$ 7,691,384 | \$ 6,913,629 |
| EXPENDITURES | <u>3,067,854</u> | <u>4,149,110</u> | <u>287,382</u> | <u>7,504,346</u> | <u>7,176,027</u> |
| | 374,492 | (50,487) | (136,967) | 187,038 | (262,398) |
| CHANGE IN PERCENTAGE OWNERSHIP | <u>1,177</u> | <u>186</u> | <u>-</u> | <u>1,363</u> | <u>65,294</u> |
| ANNUAL SURPLUS (DEFICIT) | \$ <u>375,669</u> | \$ <u>(50,301)</u> | \$ <u>(136,967)</u> | \$ <u>188,401</u> | \$ <u>(197,104)</u> |

The above noted entities are included in the consolidated financial statements. The above figures do not include the eliminating adjustments and represent Quispamsis' proportionate share.

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

23. OPERATING BUDGET TO PSAS BUDGET

| | Operating Budget General | Operating Budget Water and Sewer | Amortization and Long Term Accruals | Controlled Entities | Transfers | Total |
|---|--------------------------------|--|---|------------------------|---------------------|-------------------|
| REVENUE | | | | | | |
| Property tax warrant | \$ 23,045,317 | \$ - | \$ - | \$ - | \$ - | \$ 23,045,317 |
| Unconditional transfers from other governments | 110,347 | - | - | - | - | 110,347 |
| Unconditional transfers from Federal or Provincial governments | 31,000 | - | - | - | - | 31,000 |
| Services other governments | 56,011 | - | - | - | (8,947) | 47,064 |
| Other own source | 1,262,890 | 4,940 | - | - | - | 1,267,830 |
| Public donations and sponsorships | 90,898 | - | - | - | - | 90,898 |
| Other transfers | 286,922 | 203,452 | - | - | (490,374) | - |
| Water and sewer user fees | - | 2,653,985 | - | - | - | 2,653,985 |
| Sundry income | 30,520 | 53,386 | - | 243,756 | - | 327,662 |
| Surplus of second previous year | 2,239 | 18,416 | - | - | (20,655) | - |
| | <u>24,916,144</u> | <u>2,934,179</u> | <u>-</u> | <u>243,756</u> | <u>(519,976)</u> | <u>27,574,103</u> |
| | | | | | | |
| EXPENDITURES | | | | | | |
| General government services | 2,590,930 | - | 95,295 | - | 11,616 | 2,697,841 |
| Protective services | 8,027,928 | - | 315,189 | 6,935,147 | (7,688,719) | 7,589,545 |
| Transportation services | 4,404,852 | - | 3,154,897 | - | 7,629 | 7,567,378 |
| Environmental health services | 999,600 | - | - | - | - | 999,600 |
| Environmental development services | 989,686 | - | 1,795 | - | (572,967) | 418,514 |
| Community services | 4,225,081 | - | 1,356,721 | 148,300 | 868,744 | 6,598,846 |
| Fiscal services | | | | | | |
| Long term debt repayments | 1,579,290 | 674,000 | - | - | (2,253,290) | - |
| Interest | 512,778 | 433,697 | - | - | (946,475) | - |
| Transfer from General Operating Fund to Utility Operating Fund | 91,923 | - | - | - | (91,923) | - |
| Transfer from Utility Operating Fund to Utility Capital Replacement Reserve Fund | - | 147,023 | - | - | (147,023) | - |
| Transfer from General Operating Fund to General Capital Fund | 1,239,155 | - | - | - | (1,239,155) | - |
| Transfer from Utility Operating Fund to Utility Capital Fund | - | 200,000 | - | - | (35,000) | - |
| Transfer from General Operating Fund to General Operating Reserve Fund | 254,921 | - | - | - | (254,921) | - |
| Utility services | - | 1,479,459 | 1,201,175 | - | 433,697 | 3,114,331 |
| | <u>24,916,144</u> | <u>2,934,179</u> | <u>6,125,072</u> | <u>7,083,447</u> | <u>(11,907,787)</u> | <u>28,986,055</u> |
| Surplus (deficit) | \$ - | \$ - | \$ (6,125,072) | \$ (6,839,691) | \$ 11,387,811 | \$ (1,411,952) |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

24. REVENUE AND EXPENDITURES SUPPORT

| | <u>2019</u> Budget | <u>2019</u> Actual | <u>2018</u> Actual |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| REVENUE | | | |
| Other own source | | | |
| Permits and fines | \$ 107,800 | \$ 169,611 | \$ 164,422 |
| Rental revenue | 1,138,030 | 1,161,673 | 1,160,900 |
| Miscellaneous | <u>22,000</u> | <u>62,561</u> | <u>46,414</u> |
| | <u>\$ 1,267,830</u> | <u>\$ 1,393,845</u> | <u>\$ 1,371,736</u> |
| Conditional government transfers | | | |
| Government of Canada | | | |
| Clean Water Wastewater | \$ - | \$ 83,615 | \$ 50,438 |
| Small Communities Fund | - | 64,798 | 168,173 |
| Province of New Brunswick | | | |
| Small Communities Fund | - | 64,798 | 168,173 |
| Community Investment Fund | - | 7,500 | - |
| Emergency Measures Organization | - | - | 273,276 |
| Trans Canada Trail | - | 1,925 | - |
| Federation of Canadian Municipalities | - | 50,000 | - |
| Contributions by developers | - | 121,800 | 52,284 |
| Gas Tax revenue | - | 1,236,663 | 824,269 |
| Other | <u>31,000</u> | <u>53,990</u> | <u>43,724</u> |
| | <u>\$ 31,000</u> | <u>\$ 1,685,089</u> | <u>\$ 1,580,337</u> |
| EXPENDITURE | | | |
| General government services | | | |
| Legislative | | | |
| Mayor | \$ 58,834 | \$ 51,666 | \$ 44,359 |
| Councillors | <u>193,409</u> | <u>163,499</u> | <u>136,557</u> |
| | <u>252,243</u> | <u>215,165</u> | <u>180,916</u> |
| Administrative | | | |
| Administration | 1,298,394 | 1,186,175 | 1,127,321 |
| Office building | 130,506 | 147,803 | 130,681 |
| Solicitor | 130,000 | 130,977 | 141,274 |
| Professional fees | - | 111,452 | - |
| Other | <u>240,030</u> | <u>160,758</u> | <u>221,417</u> |
| | <u>1,798,930</u> | <u>1,737,165</u> | <u>1,620,693</u> |
| Financial management | | | |
| External audit | <u>21,277</u> | <u>27,320</u> | <u>21,447</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

24. REVENUE AND EXPENDITURE SUPPORT (cont'd)

| | <u>2019</u> Budget | <u>2019</u> Actual | <u>2018</u> Actual |
|---|-----------------------|-----------------------|-----------------------|
| General government services (cont'd) | | | |
| Other | | | |
| Civic relations | 77,368 | 64,091 | 83,008 |
| Marketing | 1,500 | 1,500 | 1,574 |
| Insurance | 100,288 | 99,732 | 97,128 |
| Cost of assessment | 339,124 | 339,124 | 325,600 |
| Other | 200 | 9,969 | 9,574 |
| Interest | 11,616 | 12,038 | 12,784 |
| Pension expense (recovery) | 7,069 | 7,069 | (9,283) |
| Sick leave expense | 544 | 544 | 16,361 |
| Amortization | <u>87,682</u> | <u>87,682</u> | <u>69,787</u> |
| | <u>625,391</u> | <u>621,749</u> | <u>606,533</u> |
| | <u>\$ 2,697,841</u> | <u>\$ 2,601,399</u> | <u>\$ 2,429,589</u> |
| Protective services | | | |
| Fire | | | |
| Administration | \$ 446,861 | \$ 421,024 | \$ 390,545 |
| Firefighting force | 2,206,935 | 2,168,224 | 2,189,500 |
| Telecommunications | 4,739 | 2,342 | 4,210 |
| Insurance | 19,624 | 19,618 | 19,210 |
| Prevention and training | 29,916 | 21,948 | 17,748 |
| Facilities | 128,410 | 131,594 | 130,705 |
| Fleet | 63,860 | 63,445 | 81,146 |
| Operations | 33,470 | 29,169 | 31,257 |
| Water costs | 18,136 | 18,136 | 17,582 |
| Retirement allowance | 30,483 | 30,488 | 31,764 |
| Other | 1,777 | 1,057 | 1,075 |
| Loss on disposal of tangible capital assets | (1,392) | (1,392) | - |
| Amortization | <u>169,470</u> | <u>169,470</u> | <u>158,512</u> |
| | <u>3,152,289</u> | <u>3,075,123</u> | <u>3,073,254</u> |
| Police | | | |
| Crime control | | 2,786,324 | 2,908,806 |
| | 2,583,197 | | |
| Vehicle fleet | 133,594 | 107,599 | 113,809 |
| Property | 128,005 | 126,494 | 127,844 |
| Administration | 622,823 | 748,911 | 626,025 |
| Retirement allowance | 49,962 | 45,005 | 39,525 |
| Communications | 229,842 | 229,683 | 217,777 |
| Labour relations | - | 84,959 | - |
| Loss on disposal of tangible capital assets | 386 | 386 | 4,254 |
| Amortization | <u>145,958</u> | <u>145,958</u> | <u>140,056</u> |
| | <u>4,096,894</u> | <u>4,397,801</u> | <u>3,852,487</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

24. REVENUE AND EXPENDITURE SUPPORT (cont'd)

| | <u>2019</u> Budget | <u>2019</u> Actual | <u>2018</u> Actual |
|--|-----------------------|-----------------------|-----------------------|
| Protective services (cont'd) | | | |
| Other | | | |
| Emergency measures | 20,371 | 16,500 | 16,933 |
| Animal control | 74,061 | 63,987 | 69,410 |
| Building inspection | 203,288 | 194,225 | 191,130 |
| Crosswalk guards | 7,915 | 7,832 | 7,827 |
| Interest | 33,188 | 34,395 | 36,524 |
| Pension expense (recovery) | 1,429 | 1,429 | (1,595) |
| Sick leave expense | 110 | 110 | 2,815 |
| | <u>340,362</u> | <u>318,478</u> | <u>323,044</u> |
| | <u>\$ 7,589,545</u> | <u>\$ 7,791,402</u> | <u>\$ 7,248,785</u> |
| Transportation services | | | |
| Common | | | |
| Workshop, yard and equipment maintenance | \$ 52,667 | \$ 67,564 | \$ 63,775 |
| Engineering | <u>473,696</u> | <u>474,993</u> | <u>457,690</u> |
| | <u>526,363</u> | <u>542,557</u> | <u>521,465</u> |
| Roads and streets | | | |
| Culverts and drainage ditches | 73,000 | 83,158 | 70,397 |
| Summer maintenance | 1,318,364 | 1,362,270 | 1,280,256 |
| Flood damage | - | - | 273,276 |
| Snow and ice removal | 2,093,450 | 2,320,847 | 2,160,723 |
| Street lighting | 146,000 | 143,611 | 150,859 |
| Street signs | 37,800 | 6,456 | 11,504 |
| Traffic lane marking | 30,000 | 29,630 | 25,902 |
| Traffic signals and signs | 8,666 | 10,758 | 9,665 |
| Railway crossing signals | 10,100 | 9,040 | 8,734 |
| Public transit - Comex Service | 161,109 | 163,107 | 159,040 |
| Pension expense (recovery) | 17,600 | 17,600 | (22,038) |
| Sick leave expense | 1,354 | 1,354 | 38,886 |
| Interest | 38,166 | 39,555 | 42,003 |
| Loss (gain) on disposal of tangible capital assets | (30,537) | (30,537) | 58,898 |
| Amortization | <u>3,135,943</u> | <u>3,136,844</u> | <u>3,208,082</u> |
| | <u>7,041,015</u> | <u>7,293,693</u> | <u>7,476,187</u> |
| | <u>\$ 7,567,378</u> | <u>\$ 7,836,250</u> | <u>\$ 7,997,652</u> |
| Environmental health services | | | |
| Waste collection and disposal | \$ 996,600 | \$ 991,271 | \$ 973,193 |
| Climate protection | <u>3,000</u> | <u>3,534</u> | <u>464</u> |
| | <u>\$ 999,600</u> | <u>\$ 994,805</u> | <u>\$ 973,657</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

24. REVENUE AND EXPENDITURE SUPPORT (cont'd)

| | <u>2019</u> Budget | <u>2019</u> Actual | <u>2018</u> Actual |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Environmental development services | | | |
| Administration | \$ 266,881 | \$ 266,174 | \$ 257,108 |
| Municipal plan | 12,000 | 12,000 | 720 |
| Enterprise Saint John | 128,155 | 112,133 | 112,133 |
| Regional Services Commission | 9,683 | 9,682 | 8,886 |
| Pension expense (recovery) | 1,667 | 1,667 | (2,148) |
| Sick leave expense | 128 | 128 | 3,791 |
| Amortization | <u>-</u> | <u>-</u> | <u>2,240</u> |
| | <u>\$ 418,514</u> | <u>\$ 401,784</u> | <u>\$ 382,730</u> |
| Community services | | | |
| Administration | \$ 193,692 | \$ 190,243 | \$ 186,403 |
| Facilities maintenance | 385,335 | 452,316 | 446,727 |
| Parks office | 67,232 | 70,005 | 68,209 |
| Beaches | 72,795 | 68,795 | 69,522 |
| Quispamsis Arena | 385,491 | 372,763 | 371,724 |
| Qplex | 1,726,442 | 1,661,419 | 1,682,756 |
| Parks and playgrounds | 1,062,437 | 856,827 | 779,390 |
| Civic Centre | 46,153 | 41,800 | 45,253 |
| Recreation programs | 89,470 | 84,644 | 67,202 |
| Regional Facilities Commission | 572,967 | 572,967 | 561,421 |
| Library | 148,300 | 165,597 | 150,596 |
| Warehouse | 12,143 | 10,130 | 17,714 |
| Food bank building | 9,298 | 10,297 | 8,731 |
| Beach house | 40,562 | 35,016 | 60,772 |
| Pension expense (recovery) | 13,980 | 13,980 | (18,733) |
| Sick leave expense | 1,075 | 1,075 | 32,467 |
| Interest | 429,808 | 445,444 | 473,016 |
| Amortization | <u>1,341,666</u> | <u>1,341,666</u> | <u>1,379,000</u> |
| | <u>\$ 6,598,846</u> | <u>\$ 6,394,984</u> | <u>\$ 6,382,170</u> |
| Utility services | | | |
| Water System | | | |
| Treatment | \$ 46,400 | \$ 50,608 | \$ 44,083 |
| Wellfields | 3,750 | 530 | 2,570 |
| Pump | 33,505 | 37,711 | 47,168 |
| Infrastructure | 176,177 | 169,444 | 185,777 |
| Pension expense (recovery) | 882 | 882 | (1,041) |
| Interest and bank charges | 26,323 | 26,991 | 29,072 |
| Sick leave expense | <u>68</u> | <u>68</u> | <u>1,837</u> |
| | <u>287,105</u> | <u>286,234</u> | <u>309,466</u> |

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

24. REVENUE AND EXPENDITURE SUPPORT (cont'd)

| | <u>2019</u> Budget | <u>2019</u> Actual | <u>2018</u> Actual |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Sewer System | | | |
| Sewer collection system | 147,161 | 130,974 | 119,172 |
| Sewer lift stations | 276,432 | 292,393 | 277,560 |
| Treatment and disposal | 254,278 | 245,588 | 218,158 |
| Pension expense (recovery) | 2,112 | 2,112 | (2,492) |
| Sick leave expense | 162 | 162 | 4,398 |
| Interest and bank charges | 407,374 | 385,515 | 399,504 |
| Amortization | <u>1,195,731</u> | <u>1,195,731</u> | <u>1,186,083</u> |
| | <u>2,283,250</u> | <u>2,252,475</u> | <u>2,202,383</u> |
| Administration | | | |
| Administration | 541,756 | 448,423 | 512,318 |
| Pension expense (recovery) | 2,061 | 2,061 | (3,069) |
| Sick leave expense | <u>159</u> | <u>159</u> | <u>5,344</u> |
| | <u>543,976</u> | <u>450,643</u> | <u>514,593</u> |
| | <u>\$ 3,114,331</u> | <u>\$ 2,989,352</u> | <u>\$ 3,026,442</u> |